

TREATIES FOR THE AVOIDANCE OF DOUBLE TAXATION*

Tax Treatment of Dividends, Interest and Royalties

*Paid from countries shown
below to residents of Cyprus*

*Paid from Cyprus to residents
of the countries shown below*

	<i>Country</i>	<i>Dividends</i>	<i>Interest</i>	<i>Royalties</i>	<i>Dividends**</i>	<i>Interest</i>	<i>Royalties</i>
1	Austria	10%	nil	nil	10%	nil	nil
2	Belarus	5% (1)	5%	5%	5% (1)	5%	5%
3	Belgium	10% (2)	10% (3)	nil	10% (2)	10% (3)	nil
4	Bulgaria	5% (4)	7% (5)(6)	10% (6)	5% (4)	7% (5)	10%
5	Canada	15%	15% (3)	10% (7)	nil	15% (3)	10% (7)
6	China	10%	10%	10%	10%	10%	10%
7	CIS***	nil	nil	nil	nil	nil	nil
8	Czech Republic	10%	10% (3)	5% (8)	nil	10% (3)	5% (8)
9	Denmark	10% (2)	10% (3)	nil	10% (2)	10% (3)	nil
10	Egypt	15%	15%	10%	15%	15%	10%
11	France	10% (9)	10% (3)	nil (10)	nil	10% (3)	nil (10)
12	Germany	15% (11)	10% (3)	nil (10)	nil	10% (3)	nil (10)
13	Greece	25%	10%	nil (12)	25%	10%	nil (12)
14	Hungary	5% (13)	10% (3)	nil	nil	10% (3)	nil
15	India	10% (9)	10% (3)	15%	10% (9)	10% (3)	15%
16	Ireland	nil	nil	nil (12)	nil	nil	nil (12)
17	Italy	15%	10%	nil	nil	10%	nil
18	Kuwait	10%	10% (3)	5% (8)	nil	10% (3)	5% (8)
19	Malta	nil	10% (3)	10%	15%	10% (3)	10%
20	Mauritius	nil	nil	nil	nil	nil	nil
21	Norway	5% (14)	nil (15)	nil	nil	25% (16)	nil
22	Poland	10%	10% (3)	5%	10%	10% (3)	5%
23	Romania	10%	10% (3)	5% (8)	10%	10% (3)	5% (8)
24	Russia	5% (17)	nil	nil	5% (17)	nil	nil
25	Singapore	nil	7% (18)	10%	nil	7% (18)	10%
26	Slovakia	10%	10% (3)	5% (8)	nil	10% (3)	5% (8)
27	Slovenia	10%	10%	10%	nil	10%	10%
28	South Africa	nil	nil	nil	nil	nil	nil
29	Sweden	5% (13)	10% (3)	nil	5% (13)	10% (3)	nil
30	Syria	15% (19)	10% (3)	10% (20)	15% (19)	10% (3)	10% (20)
31	Thailand	10%	10% (21)	5% (22)	10%	10% (21)	5% (22)
32	UK	15% (23)	10%	nil (10)	nil	10%	nil (10)
33	USA	5% (24)	10% (3)	nil	nil	10% (3)	nil
34	Yugoslavia	10%	10%	10%	nil	10%	10%
	All other countries	(12)	(12)	(12)	0-40% (16)	0-40% (16)	10% (25)

* All the treaties refer to those which have been ratified. There are 32 treaties covering 40 countries. The numbers in the brackets refer to the explanatory notes herebelow. ** Under Cyprus tax law, dividends paid to non-resident companies are not subject to withholding tax. *** Includes Armenia, Azerbaijan, Kyrgyzstan, Moldova, Tajikistan, Ukraine, Uzbekistan but excludes Belarus, Kazakhstan, Russia and Turkmenistan.

Explanatory Notes

(1) 5% of the gross amount if the beneficial owner has a holding in the share capital of the paying company of at least ECU200.000; 10% if the beneficial owner holds directly at least 25% of the share capital of the paying company; 15% in all other cases.

(2) 10% of the gross amount if recipient is a company with at least 25% direct (also indirect in the case of Belgium) share interest; 15% in all other cases.

(3) Subject to certain exemptions.

(4) 5% if beneficial owner is a company which holds directly at least 25% of the capital of the company paying the dividends; 10% in all other cases.

(5) Nil if interest is paid or guaranteed by the government of the other state or a statutory body thereof or to the central bank of the other state.

(6) These rates shall not apply if at least 25% of the capital of the Cypriot resident is owned directly or indirectly by the Bulgarian resident (either alone or with other related persons) that is paying the interest or royalties, except when the resident of Cyprus is not liable to tax which is lower than the usual tax rate.

(7) Nil if royalties are copyright and other literary, dramatic, musical or artistic work not including film or videotape royalties.

(8) Nil if royalties are on literary, artistic or scientific work including cinematographic films and films or tapes for television or radio broadcasting.

(9) 10% if recipient is a company with at least 10% direct share interest; 15% in all other cases.

(10) 5% on cinematographic films including television films.

(11) 10% if recipient is a company with at least 25% direct share interest; 27% if recipient is a company with more than 25% direct or indirect share interest as long as the German corporate tax on distributed profits is lower than that on undistributed profits and the difference between the two rates is 15% or more; 15% in all other cases.

(12) 5% on cinematographic films not including television films.

(13) 5% if recipient is a company with at least 25% direct share interest; 15% in all other cases.

(14) Nil if received by a company which controls, directly or indirectly, at least 50% of the voting power.

(15) At the rate applicable in accordance with domestic law.

(16) There is a withholding tax of 20% on dividends and 25% on interest. The final tax liability is determined as follows :

(a) Companies : in respect of dividends, no withholding tax, subject to Director's approval. For interest, on application in accordance with corporate tax rates.

(b) Individuals : on objection, in accordance with personal tax rates. In both cases any excess tax withheld is refunded.

N.B. The agents or recipients of interest or dividends are liable for the payment of the due amount of tax on such income.

(17) 5% if the beneficial owner has directly invested in the capital of the company less than the equivalent of US\$100.000; 10% in all other cases.

(18) 7% if it is received by a bank or a similar financial institution; 10% in all other cases. Interest paid to the government of the other state, as defined, is exempt from tax.

(19) Nil if shareholder is a company that holds directly at least 25% of the capital of the company paying the dividends; 15% in all other cases.

(20) 15% for any patent, trade mark, design or model, plan, secret formula or process or any industrial, commercial, or scientific equipment or for information concerning industrial, commercial or scientific experience.

(21) 10% of the gross amount if it is received by any financial institution (including an insurance company) or

in connection with the sale on credit of any industrial, commercial or scientific equipment, or merchandise; 15% in all other cases. Interest paid to the government of the other state is exempt from tax.

(22) 5% of the gross amount of the royalties for the use of or the right to use any copyright of literary, dramatic, musical, artistic or scientific work, including software, cinematographic films, or films or tapes used for television or radio broadcasting; 10% of the gross amount of the royalties received as consideration for the use of, or the right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience; 15% of the gross amount of the royalties received as consideration for the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process.

(23) A resident of Cyprus, other than a company which either alone or together with one or more associated companies controls directly or indirectly at least 10% of the voting power, is entitled to a tax credit in respect of the dividend. Where a resident of Cyprus is entitled to a tax credit, tax may also be charged on the aggregate of the cash dividend and the tax credit at a rate not exceeding 15%. In this case any excess tax credit is repayable. Where the recipient is not entitled to a tax credit, the cash dividend is exempt from any tax.

(24) 5% if recipient is a company with at least 10% direct share interest; 15% in all other cases.

(25) 5% on cinematographic films.